



Janice K. Brewer, Governor
Anthony D. Rodgers, Director

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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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February 13, 2009

By Electronic Mail

Ms. Monica Husband
Contract Compliance Officer
Arizona Physicians IPA, Inc.
3141 N. 3rd Avenue
Phoenix, AZ 85013-4345

RE: Corrective Action for Group/Billing Provider Contract Loading

Dear Ms. Husband,

The AHCCCS Division of Health Care Management (DHCM), pursuant to the Acute Care Contract YH09-0001, requests the development and submission of a Corrective Action Plan (CAP) that will address the accurate and timely loading and auditing of provider contracts and terms as required by Paragraph 38. This CAP should focus primarily on the loading of group/billing providers such as FQHCs; Emergency Physicians; and Hospitalists. The CAP should be submitted to AHCCCS on or before February 25, 2009 and contain, at a minimum, information on the items listed below.

- Provide the methodology for identifying whether a service provider and group/billing provider are eligible for reimbursement under AHCCCS guidelines.
- Provide an analysis of the system's ability and methodology for identifying individual providers with more than one group/billing association.
- Provide an analysis of the system's ability and methodology for differentiating provider identification and group/billing association on incoming claims.
- Provide a plan for implementing controls (and identification of what controls are to be implemented) at APIPA for the verification of timely loading of contracted rates in the claims payment system. This should include specific and monitored standards based on the execution date and effective date of any initial contract or amendment to payment terms.
- Provide a plan for the addition of an individual provider to a previously effectuated group/billing agreement for the purposes of claim processing. This should include specific and monitored timeliness standards based on the execution date and effective date of any contract amendment.
- Provide an instruction sheet to be provided to all group providers/billers upon contracting which instructs them on the requirements and timeframes for making changes or

additions to their groups which includes specific contact information for front-end inquiries and escalated concerns.

Since the initiation of the current contract period in October of 2008, DHCM has received multiple complaints regarding the incorrect reimbursement and recoupment of claims for payment from group/billing providers. It has been found that, in almost every case, the root cause analysis of the incorrect or delayed payment was erroneous information being contained within the APIPA claims payment system. Please address the listing above and, where a system or process change is identified as necessary, please also provide an estimated date of completion. All communication regarding this CAP request should be submitted to my attention in an electronic format (e-mail attachment or CD/DVD-ROM) for review and comment or approval. Thank you for your prompt attention to this matter.

Sincerely,

Dave N. Bjorn
Acute Care Operations and Compliance
AHCCCS Division of Health Care Management
David.Bjorn@azahcccs.gov

CC: Rodd Mas, Acute Care Operations Manager
Lori Petre, Data Analysis and Research Manager
Contractor File